

REMARKS

This communication is filed in response to the Office Action dated June 24, 2011 (*Office Action*). Claims 1, 11, 21, and 22 are amended. No claims are canceled and no claims are added. Accordingly, claims 1-22 remain pending in this application.

Support for the present amendments is found, for example, in Applicants' *Published Application* (U.S. Patent Application Publication No. 2005/0171842) at FIGs. 14 and 15, and in paragraphs [0049] and [0054].

The Rejection of Claims Under § 112

Claims 1-22 were rejected under 35 U.S.C. § 112, first paragraph, as allegedly failing to comply with the written description requirement and under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite. Although Applicants traverse the rejections, in the interest of advancing prosecution, Applicants have nevertheless amended independent claims 1, 11, 21, and 22 to remove the rejected portion of those claims, rendering these rejections moot.

The Rejection of Claims Under § 103

Claims 1-22 were rejected under 35 U.S.C. 103(a) as allegedly being unpatentable over U.S. Patent Application Publication No. 2001/0020231 by Perri III et al. (*Perri*) in view of U.S. patent Application Publication No. 2003/0101131 by Warren et al. (*Warren*), U.S. Patent No. 7,191,151 to Nosek (*Nosek*), and U.S. Publication No. 2002/0151359 by Rowe (*Rowe*) and further in view of Official Notices. *Office Action* at 5. Since no *prima facie* case of obviousness has been established, Applicants respectfully traverse the rejection.

As a preliminary matter, Applicants note that the Examiner has provided a section entitled "Claim interpretation." While the Examiner is instructed to interpret the claims consistently with the specification, the Applicants caution the Examiner from incorporating limitations into the claims from the specification. *See, e.g.*, MPEP §2111.01; *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000) (citing *In re Graves*, 69 F.3d 1147, 1152 (Fed. Cir. 1995); *see also Superguide Corp. v. DirecTV Enterprises, Inc.*, 358 F.3d 870, 875, 69 USPQ2d 1865, 1868 (Fed. Cir. 2004) ("Though understanding the claim language may be aided by explanations contained in the written description, it is important not to import into a claim limitations that are

not part of the claim. For example, a particular embodiment appearing in the written description may not be read into a claim when the claim language is broader than the embodiment.”); *see also Liebel-Flarsheim Co. v. Medrad Inc.*, 358 F.3d 898, 906, 69 USPQ2d 1801, 1807 (Fed. Cir. 2004). Applicants do **not** concede that the “claim interpretation” provided by the Examiner is correct, dispositive, or even meaningful.

The recent U.S. Supreme Court decision of *KSR v. Teleflex* provides a tripartite test to evaluate obviousness.

The rationale to support a conclusion that a claim would have been obvious is that all the claimed elements were known in the prior art and ***one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions***, and the combination would have yielded nothing more than predictable results to one of ordinary skill in the art. (*See KSR International Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 82 U.S.P.Q.2d 1385 (2007); *see also* MPEP § 2143, emphasis added.)

Applicants will show that the cited references, either singly or in combination, neither teach nor suggest all limitations of Applicants’ claimed elements, with no change in the respective functions of the cited references, nor is there any substantiating evidence that the combination of the references would have yielded nothing more than predictable results. “If ***any of these [three] findings*** cannot be made, then this rationale [of combining prior art elements according to known methods to yield predictable results] cannot be used to support a conclusion that the claim would have been obvious.” MPEP § 2143, emphasis added. Although other rationales for rejection under 35 U.S.C. §103(a) may exist, the basis for an obviousness rejection is still grounded in a consideration of all claim elements. “All words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). *See also* MPEP § 2143.03. Additionally, to render the claimed subject matter obvious, the prior art references must teach or suggest every feature of the claims. *See* Manual of Patent Examining Procedure §§ 706.02(j), 2143(A) (2008); MPEP § 2142 (2006) (citing *In re Vaeck*, 947 F.2d, 488 (Fed. Cir. 1991)). Cited approvingly in *Ex parte WEN* and *PATRICIA NG* at 7; Appeal No. 2009-000776; decided September 25, 2009.

Claim 1, as amended, recites “the initial hurdle and the initial payout specified in a currency that is native to the referrer, the initial hurdle being based on net sales of the second

party, the net sales denominated in a currency other than the currency that is native to the user.” *Perri* does not discuss a currency other than U.S. Dollars and so cannot teach the above element. *See, e.g., Perri* at FIGs. 15 and 20. Similarly, *Nosek* does not mention a currency and merely discusses a “payment or transfer of funds.” *See, e.g., Nosek* at Abstract.

While *Rowe* briefly discusses the uses of a “point” system tied to a dollar currency. *See, e.g., Rowe* at [0005]. In the points system discussed in *Rowe*, “the player’s account may be credited one point for each dollar spent” and a reward is awarded based on points. *Rowe* at [0005] and [0006]. However, in *Rowe* a prize level (*e.g.*, an “initial hurdle” of claim 1) is determined in points but the reward (*e.g.*, an “initial payout” of claim 1) is a discount, free product, game play, lodging, or food. *Rowe* at [0003]-[0006]. *Warren* discusses the use of a similar reward system in the context of credit card. *See, e.g., Warren* at FIG. 5, [0037]. As such, *Rowe* and *Warren*, singly or in combination, do not teach or suggest at least “the initial hurdle and the initial payout specified in a currency that is native to the referrer” as recited in claim 1.

The Official Notice taken by the Examiner, namely, that “in incentive programs, to condition the rewards or incentives or the likes to specific transaction venues or locations depending on the business interests of the parties (*e.g.* merchants, third parties) involved” and “a plurality of marketplaces for the same merchant” does not cure the deficiencies of the cited references.

Since Applicants have shown that not all the claimed elements were known as required by *KSR*, other case law, or the MPEP, either by *Perri* singly or in any combination with *Warren*, *Rowe*, *Nosek*, or the Official Notice, Applicants respectfully request the Examiner to reconsider and withdraw the rejection under 35 U.S.C. §103 with regard to independent claims 1, 11, 21, and 22. Moreover, since claims 2-10 and 12-20 depend either directly or indirectly from claim 1 or 11, they too are allowable for at least the same reasons as the claims from which they depend. Further, these dependent claims may each be patentable for its own limitations.

CONCLUSION

Applicants respectfully submit that the claims are in condition for allowance and notification to that effect is earnestly requested. The Examiner is invited to telephone the undersigned representative at (408) 278-4051 to facilitate prosecution of this application.

If necessary, please charge any additional fees or deficiencies, or credit any overpayments to Deposit Account No. 19-0743.

Respectfully submitted,

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